



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 3, 2006

TO: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: J. Tyler McCauley  
Auditor-Controller

SUBJECT: **WEST SAN GABRIEL VALLEY CONSORTIUM dba CAREER  
PARTNERS – ROSEMEAD CONTRACT - WORKFORCE INVESTMENT  
ACT PROGRAMS**

We have conducted a program, fiscal and administrative contract review of West San Gabriel Valley Consortium dba Career Partners – Rosemead (Rosemead or Agency), a Workforce Investment Act (WIA) Programs service provider.

**Background**

The Department of Community and Senior Services (DCSS) contracts with Rosemead, a non-profit organization, to provide and operate the WIA adult, dislocated worker, rapid response and youth programs. The WIA adult and dislocated worker programs assist individuals obtain employment, retain their jobs and increase their earnings. The WIA rapid response program provides assistance to companies that are facing a reduction in their work force, and assists the soon-to-be dislocated workers cope with career transitions by providing orientation seminars, workshops, and materials. The WIA youth program is a comprehensive training and employment program for in-school and out-of-school youth ages 14 to 21 years old. Rosemead's offices are located in the First and Fifth Districts.

Rosemead is compensated on a cost reimbursement basis. Rosemead's contract was for \$3,322,812 for Fiscal Year 2005-2006.

### **Purpose/Methodology**

The purpose of the review was to determine whether Rosemead complied with its contract terms and appropriately accounted for and spent WIA funds in providing services to eligible participants. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State, and County guidelines.

### **Results of Review**

The 16 participants interviewed stated that the services received met their expectations. Generally, Rosemead's expenses were allowable, accurately billed to DCSS and supported by documentation as required. In addition, Rosemead maintained sufficient internal controls over its business operations.

Rosemead did not always provide the level of services in accordance with WIA guidelines. Specifically, Rosemead did not:

- Complete the Individual Employment Plans (IEP) for 12 (60%) of the 20 adult and dislocated worker participants sampled.
- Accurately report the participants' program activities in the Job Training Automation (JTA) system for 7 (23%) of the 30 adult, dislocated worker, and youth participants.
- Discuss with three (30%) of the ten youth participants their Individual Service Strategy (ISS) plans on a monthly basis.
- Administer the post-assessments for two (22%) of the nine participants within one year of the pre-assessments.
- Follow-up with two (50%) of the four youth participants that exited their programs.
- Obtain prior approval for participants who exceeded the maximum subsidized employment hours.

In addition, Rosemead did not conduct criminal record checks for two (20%) of the five employees, or complete the performance evaluations for four (80%) of the five employees as required.

Details of our review, along with recommendations for corrective action, are attached.

### **Review of Report**

We discussed our report with Rosemead on September 29, 2006. Generally, Rosemead agreed with the report. However, Rosemead indicated that post-assessments were not required. WIA guidelines require Agencies to administer the post-assessment within one year of the pre-assessment when the participants were initially assessed as basic literacy skills deficient. DCSS will work with the Agency to ensure they understand the contract requirements.

We notified DCSS of the results of our review. We will follow-up our recommendations during next year's monitoring review. We thank Rosemead for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Cynthia Banks, Director, Department of Community and Senior Services  
Raymond Gibbs, Executive Director, West San Gabriel Valley Consortium dba  
Career Partners – Rosemead  
Public Information Office  
Audit Committee

**WORKFORCE INVESTMENT ACT PROGRAM  
WEST SAN GABRIEL VALLEY CONSORTIUM  
dba CAREER PARTNERS – ROSEMEAD  
FISCAL YEAR 2005-06**

**ELIGIBILITY**

**Objective**

Determine whether West San Gabriel Valley Consortium dba Career Partners – Rosemead (Rosemead or Agency) provided services to individuals that meet the eligibility requirements of the Workforce Investment Act (WIA).

**Verification**

We judgmentally sampled 30 (5%) participants (10 adults, 10 dislocated workers, and 10 youths) from a total of 640 participants that received services between July 2005 and April 2006, and reviewed their case files for documentation to confirm their eligibility for WIA services.

**Results**

All thirty adult and dislocated workers, and youth participants met the eligibility requirements for the WIA programs.

**Recommendation**

**There are no recommendations for this section.**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether the Agency provided the services in accordance with the County contract and WIA guidelines. In addition, determine whether the participants received the billed services.

**Verification**

We reviewed the documentation contained in the case files for 30 (5%) participants that received services during July 2005 through April 2006. We also interviewed 11 adult and dislocated worker participants and five youth participants/guardians.

## **Results**

### **Adult and Dislocated Worker Programs**

The 11 participants interviewed stated that the services received met their expectations. However, Rosemead did not complete the Individual Employment Plans (IEP) for 12 (60%) of the 20 adult and dislocated worker participants in accordance with WIA guidelines. The IEP is an on-going plan, jointly developed by the participant and the case manager that identifies the participant's employment goals, achievement objectives and the services needed to achieve their employment goals.

Rosemead also did not report one (5%) of the 20 adult and dislocated worker participant's activities in the Job Training Automation (JTA) system as required. The JTA system is used by the State of California Employment Development Department and the Department of Labor to track WIA participant activities.

Subsequent to our review, Rosemead updated the JTA system to accurately reflect the activities of the one participant.

### **Youth Program**

The five participants/guardians interviewed stated that the services the participants received met their expectations. However, Rosemead did not always provide the level of services required by the County contract. Specifically:

- Rosemead did not discuss the Individual Service Strategy (ISS) plans with three (30%) of the ten youth participants on a monthly basis. The ISS plan is used to track the needs and services of the program participants and their progress towards achieving established goals.
- Rosemead did not administer the post-assessments for two (22%) of the nine participants within one year of the pre-assessment who were assessed as basic literacy skills deficient. Subsequent to our review, Rosemead provided supporting documentation for the follow-ups performed for the two of the four exited youth participants.
- Rosemead did not accurately report six (60%) of the ten youth participants' program activities into the JTA system.
- Rosemead did not follow-up with two (50%) of the four exited youth participants.

Rosemead also allowed participants to exceed the maximum subsidized employment hours for four (40%) of the ten participants by 297 hours, totaling \$2,005. According to Agency management, Rosemead does not have a written policy for authorizing additional subsidized employment hours in excess of the maximum established with the participants.

**Recommendations**

**Rosemead management:**

- 1. Ensure that staff complete the IEP for adult and dislocated worker participants.**
- 2. Ensure that staff accurately update the JTA system to reflect the participants' activities within 30 days as required.**
- 3. Ensure that staff discuss the ISS plans with the participants on a monthly basis.**
- 4. Ensure that the post-assessment is administered within one year of the pre-assessment exam.**
- 5. Ensure that staff follow-up with the exited participants in accordance with WIA guidelines.**
- 6. Establish a policy for authorizing additional subsidized employment hours in excess of the established maximums and ensure that staff comply with the policy.**

**CASH/REVENUE**

**Objective**

Determine whether cash receipts and revenues are properly recorded in the Agency's records and deposited timely in their bank account. Determine whether there are adequate controls over cash, petty cash and other liquid assets.

**Verification**

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's March 2006 bank reconciliation.

**Results**

Rosemead maintained adequate controls to ensure that revenue was properly recorded and deposited in a timely manner.

**Recommendation**

**There are no recommendations for this section.**

**EXPENDITURES/PROCUREMENT**

**Objective**

Determine whether the programs related expenditures are allowable under the County contract, properly documented and accurately billed.

**Verification**

We interviewed Agency personnel, reviewed financial records and other documentation to support 20 non-payroll expenditure transactions, totaling \$123,071 (64%) of \$191,217, billed by the Agency for February 2006.

**Results**

Rosemead's expenditures were allowable, accurately billed to DCSS and supported by documentation as required.

**Recommendation**

**There are no recommendations for this section.**

**INTERNAL CONTROLS/CONTRACT COMPLIANCE**

**Objective**

Determine whether the Agency maintained sufficient internal controls over its business operations. In addition, determine whether the Agency is in compliance with other program and administrative requirements.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit, and tested transactions in various non-cash areas such as expenditures, payroll and personnel.

**Results**

Rosemead maintained sufficient internal controls over its business operations.

**Recommendation**

**There are no recommendations for this section.**

**FIXED ASSETS AND EQUIPMENT**

**Objective**

Determine whether Rosemead's fixed assets and equipment purchases made with WIA funds are used for the WIA programs and are safeguarded.

**Verification**

We conducted a physical inventory of 21 (30%) of the 71 items funded by the WIA programs, totaling \$29,928.

**Results**

Rosemead used the equipment purchased with WIA funding for the WIA programs. In addition, the assets were appropriately safeguarded.

**Recommendation**

There are no recommendations for this section.

**PAYROLL AND PERSONNEL**

**Objective**

Determine whether payroll is appropriately charged to the WIA programs. In addition, determine whether personnel files are maintained as required.

**Verification**

We traced and agreed payroll expenditures for 23 employees in February 2006, totaling \$144,192 to the payroll records and time reports. We also interviewed one employee and reviewed the personnel files for five employees assigned to the WIA programs.

**Results**

Rosemead appropriately charged payroll expenses to the WIA programs. However, Rosemead did not conduct a criminal record check for two (20%) of the five employees. In addition, Rosemead did not complete the performance evaluations for four (80%) of the five employees in a timely manner.

Subsequent to our review, Rosemead conducted the criminal record check for the two employees.



**Recommendations**

**Rosemead management:**

- 7. Ensure that a criminal record check is conducted on employees at the time of employment.**
- 8. Ensure the performance evaluations are completed in a timely manner.**

**COST ALLOCATION PLAN**

**Objective**

Determine whether Rosemead's Cost Allocation Plan was prepared in compliance with the County contract and properly allocated to the Agency's programs.

**Verification**

We reviewed Rosemead's Cost Allocation Plan and reviewed a sample of expenditures incurred by the Agency during February 2006.

**Results**

Rosemead's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated.

**Recommendation**

**There are no recommendations for this section.**



October 13, 2006

Yoon Bac, CPA  
Senior Accountant-Auditor  
Department of Auditor- Controller

**Recommendation:**

1. **Ensure that staff completes the IEP for adult and dislocated worker participants.**

*Management will ensure that all IEP's are up-to-date and completed as required. Management will ensure that all files are reviewed on a timely basis and that all required documents are in the file.*

2. **Ensure that staff accurately updates the JTA system to reflect the participants' program activities within 30 days as required.**

*Management will ensure that staff turns in MIS paperwork on time and that all services are reported on a timely basis.*

3. **Ensure that staff discusses the ISS plans with participants on a monthly basis.**

*Management will ensure that staff discuss and document all ISS plans on a timely basis.*

4. **Ensure that post-assessment is administered within one year of the pre-assessment exam.**

*At the time of review all files were properly completed. Follow-up's were not required for the files at the time of the review.*

5. **Ensure that staff follow-up with the exited participants in accordance with WIA guidelines.**

*Management will ensure that staff completes all follow-ups on-time and that information is reported on time.*

**Career Partners**

3505 N. Hart Avenue • Rosemead, CA 91770 • Phone (626) 572-7272 • Fax (626) 572-9100 • TTY (626) 560-0631

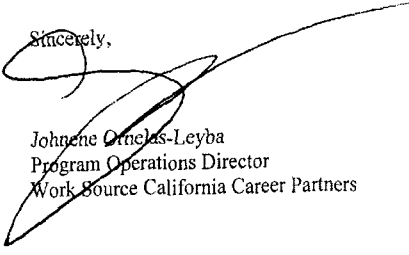
[www.careerpartners.org](http://www.careerpartners.org)

6. **Establish a policy for authorizing additional subsidized employment hours in excess of the established maximums and ensure that staff complies with the policy.**

*Management will write a policy with a minimum and a maximum amount of hours in addition to Program Operation Director's approval. Management will ensure that all staff complies with written policy.*

Thank you once again for your time and recommendation with regards to our monitoring visit. Your input and suggestions are greatly appreciated and will be implemented as recommended. If you have any question regarding this letter please feel free to contact me at (626) 569-1106.

Sincerely,



Johnene Ornelas-Leyba  
Program Operations Director  
Work Source California Career Partners



October 19, 2006

Countywide Contract  
Monitoring Division-Dept. Of Auditor-Controller  
County of Los Angeles  
Yoon S. Bae, CPA Senior Accountant-Auditor  
1000 S. Fremont Ave-Unit 51  
Alhambra, CA 91803-4737

Re: 2005-2006 Final Report on On-Site Review of West San Gabriel Valley Consortium  
dba Career Partners- **Rosemead Contract**

Dear Ms. Bae

We are submitting a reply to the monitoring report received in October 2006.  
West San Gabriel Valley Consortium has reviewed the finding of Payroll and Personnel  
and will initiate procedures to make the necessary adjustments.

The enclosed documents illustrate the correction actions we have taken in response to the  
finding.

If you have any questions or need additional clarification, please call me at 626-569-  
1100.

Sincerely,

Raymond L. Gibbs  
Executive Director

**Career Partners**

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**Finding- on page 6 final report (Rosemead Payroll and Personnel)**

7. Rosemead Management to ensure that a criminal record check is conducted on all employees.

Corrective Plan Response:

Career Partners has conducted background checks on, and received clearance on all employees who have provided consent for criminal background searches. Additionally, searches for Sexual Offender Registry were conducted on all employees who work within the youth program.

8. Rosemead Management to ensure the performance evaluations are completed in a timely manner.

Corrective Plan Response:

Career Partners will make the necessary efforts to ensure that performance evaluations are conducted in a timely manner.